City of Milwaukee

Department of Administration
Community Development Grants Administration

Tom Barrett
Mayor

Sharon Robinson
Director of Administration

Steven L. Mahan
Community Block Grant Director

March 4, 2011

Sernorma L. Mitchell
U.S. Department of Housing and Development
310 West Wisconsin Avenue, Ste 1380
Milwaukee, WI 53203

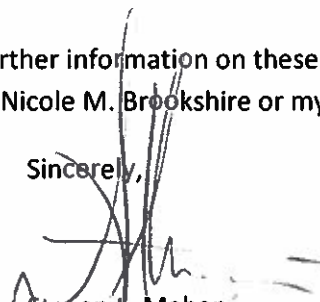Re: Revised NSP3 Program Area Maps

Dear Ms. Mitchell:

Attached please find updated Program Area Maps and NSP3 Planning Data supplements to accompany the City of Milwaukee's NSP 3 Substantial Amendment. These maps replace those originally attached as Exhibit A to the NSP3 Substantial Amendment, which was submitted on February 25, 2011.

When the program area lines for the original maps were drawn on HUD's online NSP3 mapping tool, the hand drawn lines overlapped with the borders of neighboring census tracts in a number of instances, including some tracts outside City limits, which were not intended to be included in the City's NSP3 program area. While the City's intended target area can clearly be discerned from the maps, the overlaps did impact the data insets which accompanied the maps and the supporting Planning Data, as the data for those neighboring block groups were included.

The updated maps are substantially similar to those included in the original submission and mirror the program area boundaries described in the body of the City's Substantial Amendment. The attached maps correct this issue and the accompanying data insets and planning data sheets accurately reflect the City of Milwaukee's NSP3 Program Area.

Should you have any questions or be in need of any further information on these projects before finalizing your quality control decision, please contact Nicole M. Brookshire or myself.
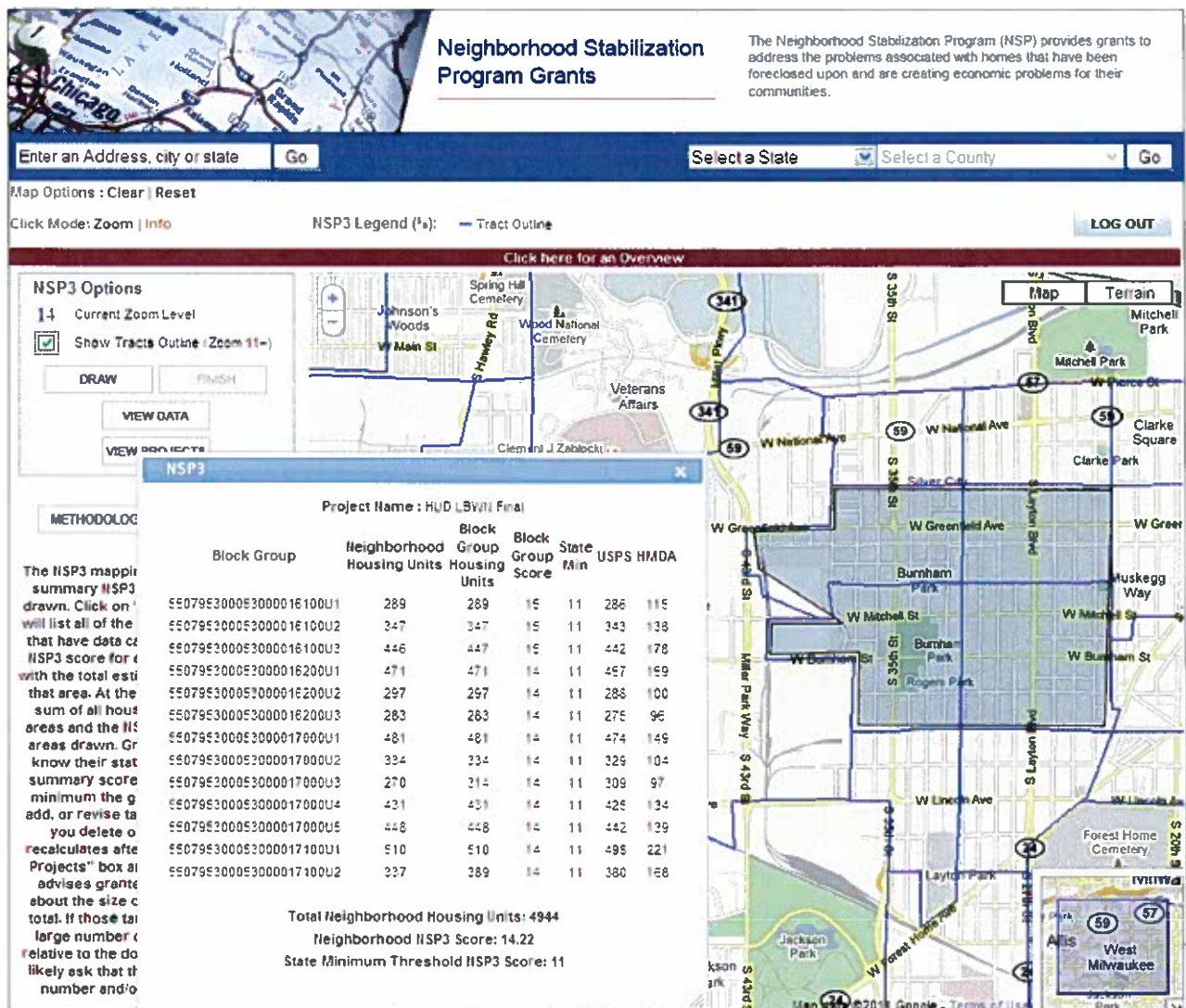
Sincerely,

Steven L. Mahan
Block Grant Director

Attachments
Cc: Rocky Marcoux, DCD
Martha Brown, DCD
Maria Prioletta, DCD
Kimberly Montgomery, Mayor's Office

NSP 3 Layton Boulevard West Neighborhood Target Area Map
Prepared using HUD NSP3 Mapping Tool

Neighborhood Stabilization Program Grants

The Neighborhood Stabilization Program (NSP) provides grants to address the problems associated with homes that have been foreclosed upon and are creating economic problems for their communities.

Enter an Address, city or state | Go   Select a State | Select a County | Go

Map Options : Clear | Reset

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NSP3

Project Name : HUD LBWN Final

Block Group	Neighborhood Housing Units	Block Group Housing Units	Block Group Score	State Min	USPS	HMDA
550795300053000016100U1	289	289	15	11	286	115
550795300053000016100U2	347	347	15	11	343	138
550795300053000016100U3	446	447	15	11	442	178
550795300053000016200U1	471	471	14	11	457	159
550795300053000016200U2	297	297	14	11	288	100
550795300053000016200U3	283	283	14	11	275	96
550795300053000017000U1	481	481	14	11	474	149
550795300053000017000U2	334	334	14	11	329	104
550795300053000017000U3	270	314	14	11	309	97
550795300053000017000U4	431	431	14	11	425	134
550795300053000017000U5	448	448	14	11	442	139
550795300053000017100U1	510	510	14	11	495	221
550795300053000017100U2	337	389	14	11	380	168

Total Neighborhood Housing Units: 4944
Neighborhood NSP3 Score: 14.22
State Minimum Threshold NSP3 Score: 11

Neighborhood ID: 8710754
NSP3 Planning Data

Grantee ID: 5543400E
Grantee State: WI
Grantee Name: MILWAUKEE
Grantee Address: 809 N Broadway Milwaukee WI 53202
Grantee Email: sleich@milwaukee.gov

Neighborhood Name: HUD LBWN Final
Date:2011-03-03 00:00:00

NSP3 Score
The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 14.22
State Minimum Threshold NSP3 Score: 11
Total Housing Units in Neighborhood: 4944

Area Benefit Eligibility
Percent Persons Less than 120% AMI: 85.84
Percent Persons Less than 80% AMI: 68.75

Neighborhood Attributes (Estimates)

Vacancy Estimate
USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the

area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 4853
Residential Addresses Vacant 90 or more days (USPS, March 2010): 159
Residential Addresses NoStat (USPS, March 2010): 11

Foreclosure Estimates
HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 1762
Percent of Housing Units with a high cost mortgage between 2004 and 2007: 38.43
Percent of Housing Units 90 or more days delinquent or in foreclosure: 11.93
Number of Foreclosure Starts in past year: 105
Number of Housing Units Real Estate Owned July 2009 to June 2010: 51

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 22

Supporting Data
Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -7.6
Place (if place over 20,000) or county unemployment rate June 2005·: 7.2
Place (if place over 20,000) or county unemployment rate June 2010·: 10.7
·Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:
HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.

2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.

3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.

4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.

5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

<u>Latitude and Longitude of corner points</u>
-87.943110 43.006813 -87.960234 43.006907 -87.960105 43.010610 -87.966156 43.010484 -87.966070 43.012053 -87.961264 43.012053 -87.962894 43.012869 -87.966928 43.014815 -87.967229 43.016697 -87.961779 43.016792 -87.961736 43.018800 -87.942553 43.018768
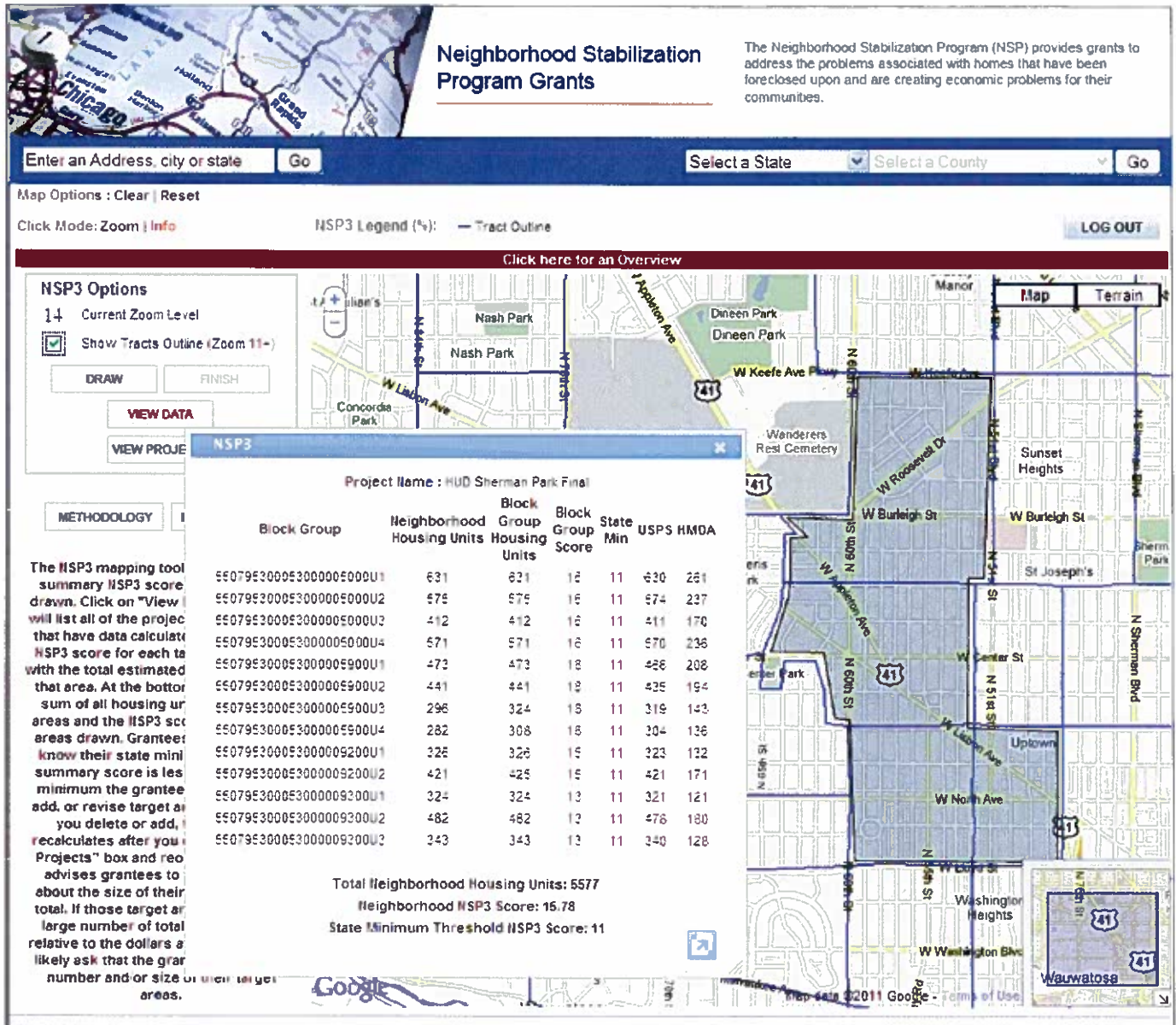
<u>Blocks Comprising Target Neighborhood</u>
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NSP 3 Sherman Park Target Area Map
Prepared using HUD NSP3 Mapping Tool

Neighborhood Stabilization Program Grants

The Neighborhood Stabilization Program (NSP) provides grants to address the problems associated with homes that have been foreclosed upon and are creating economic problems for their communities.

Enter an Address, city or state | Go

Select a State | Select a County | Go

Map Options : Clear | Reset

Click Mode: Zoom | Info

NSP3 Legend (%): — Tract Outline

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Click here for an Overview

NSP3 Options

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NSP3

Project Name : HUD Sherman Park Final

Block Group	Neighborhood Housing Units	Block Group Housing Units	Block Group Score	State Min	USPS	HMDA
550795300053000005000U1	631	621	16	11	630	261
550795300053000005000U2	575	575	16	11	574	237
550795300053000005000U3	412	412	16	11	411	170
550795300053000005000U4	571	571	16	11	570	236
550795300053000005900U1	473	473	18	11	468	208
550795300053000005900U2	441	441	18	11	435	194
550795300053000005900U3	296	324	18	11	319	143
550795300053000005900U4	282	308	18	11	304	136
550795300053000009200U1	326	326	19	11	323	132
550795300053000009200U2	421	425	19	11	421	171
550795300053000009300U1	324	324	13	11	321	121
550795300053000009300U2	482	482	13	11	476	180
550795300053000009300U3	343	343	13	11	340	128

Total Neighborhood Housing Units: 5577

Neighborhood NSP3 Score: 15.78

State Minimum Threshold NSP3 Score: 11

Nash Park

Nash Park

Concordia Park

W Lisbon Ave

Dineen Park

Dineen Park

W Keefe Ave

Wanderers Rest Cemetery

W Burleigh St

W Roosevelt Dr

W Center St

W Lisbon Ave

W North Ave

Manor

Map | Terrain

Sunset Heights

W Burleigh St

St Joseph's

Sherm Park

N Sherman Blvd

Uptown

Washington Heights

W Washington Blvd

Wauwatosa

Google

Map data ©2011 Google - Terms of Use

Neighborhood ID: 7319885
NSP3 Planning Data
Grantee ID: 5543400E
Grantee State: WI
Grantee Name: MILWAUKEE
Grantee Address: 809 N Broadway Milwaukee WI 53202
Grantee Email: sleich@milwaukee.gov

Neighborhood Name: HUD Sherman Park Final
Date:2011-03-03 00:00:00

NSP3 Score
The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 15.78
State Minimum Threshold NSP3 Score: 11
Total Housing Units in Neighborhood: 5577

Area Benefit Eligibility
Percent Persons Less than 120% AMI: 78.54
Percent Persons Less than 80% AMI: 54.41

Neighborhood Attributes (Estimates)
Vacancy Estimate
USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 5535
Residential Addresses Vacant 90 or more days (USPS, March 2010): 384
Residential Addresses NoStat (USPS, March 2010): 3

Foreclosure Estimates
HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 2292
Percent of Housing Units with a high cost mortgage between 2004 and 2007: 43.16
Percent of Housing Units 90 or more days delinquent or in foreclosure: 13.61
Number of Foreclosure Starts in past year: 162
Number of Housing Units Real Estate Owned July 2009 to June 2010: 79

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 31

Supporting Data
Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -7.6
Place (if place over 20,000) or county unemployment rate June 2005·: 7.2
Place (if place over 20,000) or county unemployment rate June 2010·: 10.7
·Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:
HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

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3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.

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<u>Latitude and Longitude of corner points</u>
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<u>Blocks Comprising Target Neighborhood</u>
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